

From: <joseph.a.smith@power.alstom.com>
To: Bret Kent <Bret-K@ipsc.com>
Date: 6/9/2004 8:42:03 AM
Subject: IPSC LAP-4098 Re: Material Planning for Next Year

----- Forwarded by Joseph A. Smith/USWEL01/Power/ALSTOM on
06/09/2004 10:38 AM -----

(Embedded Guy I. Drake/USWEL01/Power/ALSTOM
image moved 06/09/2004 09:25 AM (Phone: +1 585-596-2689, Dept.: Heat Recovery Services)
to file:
pic21419.pcx)

To: Joseph A. Smith/USWEL01/Power/ALSTOM@GA
cc: Gary C. Allen/USWEL01/Power/ALSTOM@GA
Subject: IPSC LAP-4098 Re: Material Planning for Next Year (Document
link: Joseph A. Smith)

Security Level:? Internal

1. The amount of credit if IPSC removes the extra full set of rotor seals
from the existing order is \$13,500.00.

If they plan on purchasing them later:

2. Today's price for same set of seals is \$26,223.00 plus freight.

As stated before the rotor seals included in their order were at lower
margins, taking into account the order scope. The new price is based on
current book prices for a rotor seals only order.

On the enameled tight packed request, we should have an answer on the
performance and costs in about a week or two.

(Embedded Joseph A. Smith/USWEL01/Power/ALSTOM
image moved 06/08/2004 09:48 AM (Phone: +585-596-2710, Dept.: HRP)
to file:
pic23523.pcx)

To: Guy I. Drake/USWEL01/Power/ALSTOM@GA
cc: Gary C. Allen/USWEL01/Power/ALSTOM@GA
Subject: Re: Material Planning for Next Year

Security Level: ? Internal

Need your help on this.

----- Forwarded by Joseph A. Smith/USWEL01/Power/ALSTOM on
06/08/2004 09:47 AM -----

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pic04384.pcx)
Bret Kent <Bret-K@ipsc.com>
06/08/2004 09:19 AM

To: Joseph A. Smith/USWEL01/Power/ALSTOM@GA
cc:
Subject: Re: Material Planning for Next Year

Security Level: ? Internal

Joe,

I was working under the assumption that there was a significant discount.
What I need is a number for:

1. The amount that will be credited back for the extra set of seals, if we were to cancel that portion of the order.
2. The amount that will be charged for a stand alone set of seals. Using today's pricing.

In addition the following information is still needed:

- A. Performance numbers for changing the cold end element to an enameled tight pack, in anticipation for future installation of SCR's.
- B. Cost increase to the current order for the enameled tight pack cold end.

Thank you for your help,

Bret

>>> <joseph.a.smith@power.alstom.com> 6/4/2004 7:44:03 AM >>>

----- Forwarded by Joseph A. Smith/USWEL01/Power/ALSTOM on
06/04/2004 09:43 AM -----

(Embedded image moved 06/03/2004 04:27 PM (Phone: +1 585-596-2689, Dept.: Heat
Guy I. Drake/USWEL01/Power/ALSTOM

IP7_033781

Recovery Services)
to file:
pic02144.pcx)

To: Joseph A. Smith/USWEL01/Power/ALSTOM@GA
cc:
Subject: Re: Material Planning for Next Year (Document link: Joseph A. Smith)

Security Level:? Internal

Joe, I sent this email on April 6th in response to Bret's email received again today. He can't expect to pay the same low price later for the set of seals, if he doesn't take the extra set of seals he will be paying more, much more later, now that steel prices have went up 20-30%.

Joe,

Pricing on sets of seals with baskets and parts, as quoted to IPSC, are special priced with same margin of job. They cannot compare prices of seals on this order to any future pricing. If they only spot buy seals they will be paying the highest margin. The more they buy at one time the more favorable the pricing.

Short answer is that the seals on this order are at a discounted price because of the volume purchased.

Guy

(Embedded Joseph A. Smith/USWEL01/Power/ALSTOM
image moved 04/06/2004 12:49 PM (Phone: +585-596-2710, Dept.: HRP)
to file:
pic16446.pcx)

To: Guy I. Drake/USWEL01/Power/ALSTOM@GA
cc:
Subject: Re: Material Planning for Next Year

Security Level:? Internal

Intermountain.

----- Forwarded by Joseph A. Smith/USWEL01/Power/ALSTOM on
04/06/2004 12:49 PM -----

(Embedded Bret Kent <Bret-K@ipsc.com>
image moved 04/05/2004 12:38 PM
to file:
pic31577.pcx
)

IP7_033782

To: Joseph A. Smith/USWEL01/Power/ALSTOM@GA
cc:
Subject: Re: Material Planning for Next Year

Security Level:? Internal

Joe,

In pricing the extra set of seals was there any type of discount applied?
In other words, is the credit back enough that we could turn around and
buy a full set of rotor seals at a later date?

The idea is that we could take a full inventory after the replacement work
next year and order out what we are missing.

Thanks,

Bret

>>> <joseph.a.smith@power.alstom.com> 3/23/2004 10:16:07 AM >>>

IPSC has an extra full set of rotor seals on the next order. Does IPSC
still want the spare set ??

(Embedded Bret Kent <Bret-K@ipsc.com>
image moved 03/22/2004 12:30 PM
to file:
pic00658.pcx)

To: Joseph A. Smith/USWEL01/Power/ALSTOM@GA
cc: finnemorehe@hotmail.com, James Nelson <JIM-N@ipsc.com>, Gary C.
Allen/USWEL01/Power/ALSTOM@GA
Subject: Material Planning for Next Year

Security Level:? Internal

Joe,

The installation work for Unit 2 is complete, and other than
transportation
issues, it went very smoothly.

In preparation for next year, I am providing the following list of left
over materials. Please adjust your Bill of Materials for Unit 1 material
accordingly:

1) Cold End By-pass Seal Leaf #99296 T-19.....99

IP7_033783

2) Cold End By-pass Seal Holding Strips #67599.....	76
3) Hot End Radial Seal Outer Leaf #67511.....	64
4) Hot End Radial Seal Holding Strip #67524 T-1.....	23
5) Cold End Radial Seal Leaf #67791 T-3.....	28
6) Cold End Radial Seal Leaf #67791 T-4.....	30
7) Cold End Radial Seal Holding Strip #78084 T-1.....	18
8) Cold End Radial Seal Holding Strip #78084 T-2.....	86
9) Cold End Radial Seal Outboard Tab #67953 T-2.....	17
10) Cold End Radial Seal Inboard Tab #78083 T-3.....	24

Items that were found to be in good condition and were not changed out:

- A) Do not send the Axial Seals both the CW and CCW set.
- B) Do not send the Post Seals
- C) Do not send the Cold End Seal Clearance Gauges

The following items were not provided this year, but will be needed for Unit 1.

- i) Complete set of Diaphragm Seals for both rotors.

In addition, please reduce the time required for the Field Service Engineer from 6 weeks to 4 weeks.

Please respond with an updated bill of materials for Unit 1 materials and adjustment (credit) to the contract amount.

Thank you for your help,

~~~~~  
Bret Kent  
Intermountain Power Service Corp  
850 West Brush Wellman Rd  
Delta, UT 84624

ph. (435) 864-6447  
fx. (435) 864-0747  
bret-k@ipsc.com  
<http://www.intermountainpower.com/>

**CONSTRUCTION SERVICES, INC.**

550-B Brookshire Rd  
Greer, SC 29650  
Phone: 864-879-4800  
Fax: 864-879-3530

INVOICE NO CNST 8069533

PAGE 1

DATE 04/02/04

SALESMAN

INVOICE TYPE: PROJECT INVOICE

Tax ID 1: 57-1016262

Currency: USD US DOLLARS

Tax ID 1:

34949

Intermountain Power  
James Nelson  
Delta Utah Plant  
850 W Brush Wellman Rd  
Delta UT 84624-9546

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Intermountain Power  
James Nelson  
Delta Utah Plant  
850 W Brush Wellman Rd  
Delta UT 84624-9546

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| PROJECT # | CONTRACT # | PKGS | PPD | WEIGHT | SHIP VIA | TERMS  |
|-----------|------------|------|-----|--------|----------|--------|
| 809600    | 04-45616   |      |     |        |          | NET 30 |

|   |                                                              |      |            |
|---|--------------------------------------------------------------|------|------------|
| 1 | Milestone: 01<br>Description: Air Preheaters (A & B) Unit #2 | Net: | 447,013.00 |
| 2 | Milestone: 02<br>Description: Supply Air Heater Material     | Net: | 17,917.00  |

PLEASE REMIT TO: TEI CONSTRUCTION SERVICES, INC.  
P.O. BOX 532741  
ATLANTA, GA 30353-2741

ORIGINAL INVOICE

|              |            |
|--------------|------------|
| SALES AMOUNT | 464,930.00 |
| MISC CHG     | 0.00       |
| FREIGHT      | 0.00       |
| SALES TAX    | 0.00       |
| PREPAID      |            |
| TOTAL        | 464,930.00 |

IP7\_033785

TEI Construction Services, Inc.  
T&M Billing Cost Summary

PROJECT  
CLIENT Intermountain Power  
TEI NO. 80960  
ORDER NO.  
EWO NO.  
CONTACT: James Nelson

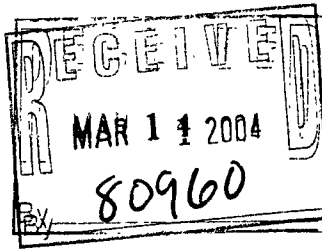
| Firm Price |                            |               |
|------------|----------------------------|---------------|
| Contract # | Job Description            | Amount        |
| 04-45616   | Air Preheaters (A&B) Units | \$ 447,013.00 |
|            |                            | \$ 447,013.00 |

| MATERIAL & SUBCONTRACTORS       |             |               |
|---------------------------------|-------------|---------------|
| Vendor                          | Invoice #   | Amount        |
| Power Replacements Inc.         | 2220        | \$15,580.00   |
|                                 | Sub Total   | \$15,580.00   |
|                                 | 15% Mark-Up | \$2,337.00    |
| Total Material & Subcontractors |             | \$17,917.00   |
| TOTAL BILLING                   |             | \$ 464,930.00 |

IP7\_033786

## POWER REPLACEMENTS, INC.

31900 Via Del Senor  
Homeland, CA 92548



## Invoice

| Date     | Invoice # |
|----------|-----------|
| 3/6/2004 | 2220      |

|                                                                             |
|-----------------------------------------------------------------------------|
| <b>Bill To</b>                                                              |
| TEI Construction Services, Inc.<br>550 B Brookshire Road<br>Greer, SC 29651 |

|                                                                    |
|--------------------------------------------------------------------|
| <b>Ship To</b>                                                     |
| Intermountain Power<br>850 W. Brush Wellman Rd.<br>Delta, UT 84624 |

| P.O. Number                                                                                                                                                                                                                     | Terms     | Rep                               | Ship     | Via       | F.O.B.       | Project     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------|----------|-----------|--------------|-------------|
| 960144                                                                                                                                                                                                                          | Net 20    | JI                                | 3/6/2004 | PRI TRUCK | ON STATION   |             |
| Quantity                                                                                                                                                                                                                        | Item Code | Description                       |          |           | Price Each   | Amount      |
| 1                                                                                                                                                                                                                               | MISC.     | 48 T-Bars.                        |          |           | 9,800.00     | 9,800.00    |
| 1                                                                                                                                                                                                                               | MISC.     | 16 Bypass Angles.                 |          |           | 3,800.00     | 3,800.00    |
| 1                                                                                                                                                                                                                               | MISC.     | 96 Outer radial supports.         |          |           | 480.00       | 480.00      |
| 1                                                                                                                                                                                                                               | SHIPPING  | Delivery to station on PRI truck. |          |           | 1,500.00     | 1,500.00    |
| <p>PLEASE REMIT PAYMENT TO:</p> <p>POWER REPLACEMENTS, INC.<br/>31900 Via Del Senor<br/>Homeland, CA 92548</p> <p><b>Construction Division</b><br/>Voucher # 130437<br/>MAR 12 2004<br/>Acct. # 9999<br/>Initials <u>fr</u></p> |           |                                   |          |           |              |             |
| Thank you for your business<br>Power Replacements, Inc. Tax I.D. #: 33-0606962                                                                                                                                                  |           |                                   |          |           | <b>Total</b> | \$15,580.00 |

IP7\_033787



# **TEI** CONSTRUCTION SERVICES, INC.

Date: 3-19-04

## Completion Report For Intermountain Power Services

Subject: Air Preheaters ( A and B) Unit # 2

Job # 80960

Completion Date 3-19-04

IPP Representative Bret Kent

TEI Representative Steve Hepp